8300 Greensboro Dr. Suite 1200 McLean, VA 22102 www.fcclaw.com

David L. Nace (703) 584-8661 dnace@fcclaw.com



January 8, 2014

GRANTED

PONDO DO SUS

JAN 9, 2014

COMPETITION POLICY DIVISION

AMBELIATE CHECK DIVISION

WIRELINE COMPETITION BUBBA

Marlene H. Dortch, Secretary Federal Communications Commission 445 12th Street, N.W. Washington, DC 20554

Attn: Jodie May, Competition Policy Division

Wireline Competition Bureau

Re: WC Docket No. 13-320

Request for Domestic Section 214 Special Temporary Authority

Dear Ms. Dortch:

On December 30, 2013, Union Springs Telephone Company ("USTC"), its affiliate, Ropir Communications, Inc. ("RCI")(jointly, "Transferors") and Robert E.L. Gilpin as Personal Representative of the Estate of Billie K. Pirnie ("Mr. Gilpin" or "Transferee") (Transferors and Transferee collectively referred to as "Applicants"), by their undersigned counsel, and pursuant to Section 214 of the Communications Act, as amended, 47 U.S.C. §214, and Section 63.04 of the Commission's rules, 47 C.F.R. §63.04, filed an application for Section 214 authorization for the current ownership and control of USTC and RCI, following transfers of control from Billie J. Pirnie ("Mrs. Pirnie") and the Billie J. Pirnie Revocable Living Trust ("Mrs. Pirnie Trust") to Mr. Gilpin as Personal Representative of the Estate of Billie K. Pirnie (the "Application"). By this letter the Applicants request Special Temporary Authorization ("STA") for a period of sixty (60) days as immediate authorization to continue operations under the control of Mr. Gilpin as Personal Representative of the Estate of Billie K. Pirnie.

A. Background Information

USTC (FRN 0006164636) is a corporation organized under the laws of Alabama. Its address is PO Box 272, Union Springs, AL 36089.

RCI (FRN 0015115207) is a corporation organized under the laws of Delaware. Its address is PO Box 272, Union Springs, AL 36089.

Each company holds blanket domestic Section 214 authority to provide interstate interexchange telecommunications services. USTC is an incumbent local exchange carrier that

¹ RCI also holds international Section 214 authority for global resale service. See File No. ITC-214-19960207-00059 (formerly File No. 96-100), granted April 1, 1996. See also Public Notice Report No. I-8167, released April 4, 1996. 00641395 - 2

Federal Communications Commission January 8, 2014

has served portions of Bullock, Macon, Barbour, and Pike Counties, Alabama since 1955. RCI is a reseller of long distance services that is under common control with USTC. Since 1996, RCI has continuously provided interstate interexchange and international telecommunications services in and around the area served by USTC.

This STA request will (i) provide information as to the current ownership and control of USTC and RCI, and (ii) correct certain information that was erroneously included in a 1996 application to the Commission's International Bureau. As will be explained, during the period from 1996 to date, there were transfers of stock in RCI and in Ropir Industries, Inc. ("Ropir Industries") (FRN 0015143415) which is the parent company of USTC and RCI that resulted in changes in the control USTC and RCI. The stock transfers were primarily for estate planning purposes or to effectuate terms of family trusts. Since 1996 (and in the case of USTC, from an earlier date), USTC and RCI have operated continuously under the day-to-day management of Larry C. Grogan ("Mr. Grogan") with no change in operations resulting from the ownership changes that will be summarized in this application.

B. Summary of Current Ownership, Control and Management of USTC and RCI

USTC is a wholly owned subsidiary of Ropir Industries, Inc. ("Ropir Industries") (FRN 0015143415), a Delaware corporation formed in 1982. The address of Ropir Industries is 8208 Old Federal Road, Montgomery, AL 36117, Union Springs, AL 36089. Ropir Industries has been and remains, from 1982 to date, the sole stockholder of USTC.

RCI (originally named Call Points, Inc.) is a Delaware corporation formed in 1988. RCI is controlled by Ropir Industries.²

Ropir Industries and its subsidiaries, USTC and RCI (collectively the "Ropir Companies"), are currently controlled by Robert E. L. Gilpin ("Mr. Gilpin") (FRN 0023227689), a United States citizen and attorney in Montgomery, Alabama whose address is Gilpin Givhan, PC, 2660 EastChase Lane, Suite 300, Montgomery, AL 36117.³ Mr. Gilpin controls the Ropir Companies in his capacity as the Personal Representative of the Estate of Billie K. Pirnie. Mrs. Pirnie was a United States citizen who died October 22, 2011.⁴

00641395 - 2

² RCI's authorized and outstanding stock consists of Class A and Class B common stock. Ropir Industries owns and has always owned all of the Class A common stock. Ropir Industries also owns (since December 1996) 1200 of the 1400 authorized and outstanding shares of RCI's Class B common stock. The other 200 shares of RCI Class B common stock are now and have always been owned by USTC, a wholly owned subsidiary of Ropir Industries.

³ Mr. Gilpin's email address is <u>rgilpin@gilpingivhan.com</u> and his telephone number is 334-244-1111. Mr. Gilpin does not have a controlling interest in any other telecommunications service provider.

⁴ The Ropir Companies and Mr. Gilpin were unaware of the need to provide prompt notice of Mrs. Pirnie's death to the Commission and of the resulting involuntary, pro forma transfer of control of USTC and RCI.

Federal Communications Commission January 8, 2014

Mr. Grogan continues to manage the day-to-day operations of USTC and RCI. Since October 24, 2011, Mr. Grogan has served as the President, Treasurer and Chairman of the Board of both companies and Mr. Gilpin has served as Secretary. Also, since October 24, 2011, the Board of Directors of both companies has consisted of Mr. Grogan and Mr. Gilpin.

C. Correction of Stock Ownership and Control Information Contained in RCI's 1996 International Section 214 Application

In RCI's application for international Section 214 resale authority, filed February 7, 1996, Mrs. Pirnie was identified as the 70% direct stockholder of RCI.⁵ That information was provided to undersigned counsel by Mr. Grogan based upon his incorrect understanding of certain facts, including the stock ownership of Ropir Industries and intra-family transfers of that stock after the death of Mrs. Pirnie's husband, R.M. Pirnie in 1991.⁶

In early 1996 and until the time of her death in 2011, Mrs. Pirnie was the President of RCI⁷ and Ropir Industries. Her stock ownership in Ropir Industries, as of the time the International Section 214 Application was filed, amounted to a 44.24% ownership interest. Under the terms of R.M. Pirnie's will, which had not yet been effectuated as of early 1996, Mrs. Pirnie also was to acquire beneficial interests in two trusts that were to hold 30.22% of Ropir Industries stock. The remainder of Ropir Industries stock was controlled by Pirnie family members, either personally or through trusts. As a result, while Mrs. Pirnie owned and voted more stock than any other stockholder, she did not vote a majority of the stock and did not have *de jure* control of the Ropir Companies in early 1996. However, Mrs. Pirnie served as the President of each of the Ropir Companies in early 1996, served as the sole member of the Board of Directors, and exercised a

00641395 - 2

⁵ See RCI's Application for Section 214 Authorization to resell telecommunications services to international points, filed February 7, 1996, p. 4. (File No. ITC-214-19960207-00059, formerly File No. 96-100) (the "International 214 Application").

⁶ As further explained in footnote 10, *infra.*, there were details of Mr. Pirnie's will that were unknown to Mr. Grogan. Mr. Grogan operated the companies with the understanding that Mrs. Pirnie had a 70% stock interest, without knowledge that her interest in early 1996 was in fact comprised of Mrs. Pirnie's own stock interest in Ropir Industries of less than 50% as well as certain not yet perfected beneficial interests totaling 30.22% by the terms of her deceased husband's will.

Documents obtained from the Secretary of State of Delaware show that RCI was formed in 1988, but has since changed its name twice, most recently in 1998 to "Ropir Communications, Inc." It appears that the name "Ropir Communications, Inc." was used as d/b/a for "Call Points, Inc." in 1996.

⁸ Mrs. Pirnie also served as custodian for Katherine Fielding Pirnie, a minor, who held slightly less than a 1% stock interest in Ropir Industries. Thus, Mrs. Pirnie had voting rights to just over 45% of Ropir Industries stock.

⁹ Mr. Pirnie's will provided that his trust holdings, including a 30.22% stock ownership in Ropir Industries, would be divided into two trusts upon his death. A "Family Trust" and a "Marital Trust" would each receive half of the stock. Mrs. Pirnie was to be a lifetime beneficiary of the Family Trust and the sole beneficiary of the Marital Trust. She was not named as a trustee of either the Family Trust or the Marital Trust. Mr. Grogan was not privy to such details and mistakenly identified Mrs. Pirnie as owner of 70% of RCI stock (also overlooking the fact that it was Ropir Industries stock not RCI stock that was owned by Mrs. Pirnie).

Federal Communications Commission January 8, 2014

level of control that by all indications amounted to *de facto* control of the Ropir Companies in early 1996. To that extent, the International Section 214 Application correctly identified Mrs. Pirnie as the controlling party of RCI.

D. Events from 1996 to Date Affecting Control of USTC and RCI

In a series of stock transfers in May 1996, various family members surrendered stock of Ropir Industries for redemption by the company. In addition, Ropir Industries stock was issued to certain trusts and to Mrs. Pirnie individually. By May 10, 1996, Mrs. Pirnie's personally owned stock surpassed the 50% level, at which time she was entitled to vote approximately 55% of Ropir Industries' stock. The need for prior Commission approval was not recognized for what amounted to a *pro forma* transfer of control of USTC and RCI. 11

In ensuing years, Mrs. Pirnie's stock ownership percentage increased as stock held by other family members and trusts was redeemed by Ropir Industries. By October 7, 2003, Mrs. Pirnie owned or controlled all of the then issued and outstanding stock of Ropir Industries. On that date, for estate planning purposes, she directed the transfer of 100% of the issued and outstanding stock of Ropir Industries to the Mrs. Pirnie Trust (FRN 0015143456) of which her attorney, Mr. Gilpin, was named the successor trustee. That transfer did not alter Mrs. Pirnie's control of the Ropir Companies but the substitution of the Mrs. Pirnie Trust for Mrs. Pirnie as the sole owner of Ropir Industries' issued and outstanding stock amounted to a *pro forma* (non-substantial) transfer of control of USTC and RCI. The parties did not did not recognize the need for prior Commission approval of a stock transfer that did not alter Mrs. Pirnie's actual control of the Ropir Companies.

Mrs. Pirnie died October 22, 2011. Mr. Gilpin became Personal Representative of the Estate of Billie K. Pirnie and, in that role, Mr. Gilpin obtained control of USTC and RCI. It is now recognized that Mrs. Pirnie's death should have been reported promptly to the FCC, followed by an application for consent to an involuntary transfer of control of USTC and RCI to Mr. Gilpin.

E. Public Interest Statement and Conclusion

By this letter, STA is requested for a 60-day period of time to permit a continuation of interstate interexchange telecommunications services by USTC and RCI while applications for authorization of the current ownership and control are under review by Commission staff. We note that before and after the transfers of control that occurred since 1996, USTC and RCI were and

¹⁰ On May 10, 1996, Mrs. Pirnie was issued a stock certificate that equated to a 7.58% ownership interest in Ropir Industries. Combined with stock she owned previously her stockholdings amounted to 54.34%. In addition, she had the right to vote a 0.93% stock interest as custodian for Katherine Fielding Pirnie, thus giving Mrs. Pirnie the right to vote 55.27% of the stock.

¹¹ Because Mrs. Pirnie already controlled the Ropir Companies on a *de facto* basis, the increase in her Ropir Industries stockholdings to a majority position did not amount to a substantial transfer of control of USTC or RCI.

As "successor trustee" Mr. Gilpin would assume control of the assets held in the Mrs. Pirnie Trust, including stock of Ropir Industries, only upon the death or incapacity of Mrs. Pirnie.
00641395 - 2
4

Federal Communications Commission January 8, 2014

remain the carriers of record to customers. Grant of the requested STA will serve the public interest, convenience and necessity because it will permit the continued provision of service by USTC and RCI without interruption to customers while the Commission staff considers an application for the current ownership and control of USTC and RCI.

Customers rely upon USTC and RCI for telecommunications service and would be adversely impacted if there is a disruption of service while the companion application is processed.

The parties to this STA request acknowledge that grant of this request will not prejudice any action the Commission may take on the companion application for Commission authorization of the current ownership and control of USTC and RCI. The parties to this STA request further acknowledge that STA may be revoked by the Commission upon its own motion without a hearing. Applicants acknowledge that grant of this STA request and the Application will not preclude enforcement action for any of the unauthorized transfers of control.

Accordingly, favorable action on this STA request is consistent with public interest considerations. If any further information is needed please communicate with this office.

Respectfully submitted,

/ Www.

David L. Nace

Attorney for Union Springs Telephone Company and Ropir Communications, Inc.